emphasized that a suitable security environment in the border region was a subject of mutual interest and a shared goal. Both sides agreed to strengthen dialogue and concrete cooperation to counter terrorist activities along their border.

(c) The trilateral gas pipeline project has not been cancelled by Myanmar. Both India and Myanmar agree on the importance and potential benefit of the pipeline.

Preferential trade agreement between India and South Africa

4535. SHRI JESUDASU SEELAM:
DR. T. SUBBARAMI REDDY:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether India and South Africa have agreed to put on fast track conclusion of a preferential trade for establishing trade agreement on customs and a bilateral investment promotion treaty for establishing closer relations between business communities of both countries.

(b) if so, whether underlining importance of strengthening economic linkages between two countries, Minister of State for External Affairs and South African Minister discussed policy frame work to facilitate interaction between private sector of both countries;

(c) if so, what are main outcome of decision taken and whether any agreement have been reached; and

(d) if so, by when it is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI E. AHAMMED): (a) Talks at present are going on between India and Southern African Customs' Union (SACU) of which South Africa is a member for signing of a PTA. Both sides are keen that this agreement should be finalized as soon as possible. The signing of a Bilateral Investment Promotion and Protection Agreement (BIPPA) between India and South Africa has been under consideration for some time The text of such an agreement is being negotiated between the two countries.

(b) Honourable Rao Inderjit Singh, Minister of State in the External Affairs Ministry reviewed with his South African interlocutors during his

recent visit to that country, various facets of cooperation between the two countries in economic, commercial and other arenas It was felt that the private sectors in both the countries had an important role to play in promoting economic linkages between India and South Africa. In this context an India-South Africa CEO's Forum has already been established.

(c) There was broad agreement between the two sides regarding the policies to be followed so that Indo-South African economic ties get further strengthened No new specific proposals in this regard were discussed

(d) Does not apply.

Security Council seat without Veto-Powers

4536. DR AKHILESH DAS
SHRIMATI SUKHBUNS KAUR

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether there is any fresh proposals for expansion of the UN Security Council by induction of a few permanent and non-permanent members of the council, without Veto-Power, and

(b) if so, the details of the proposals and whether India agreed to accept permanent membership of the Security Council without Veto Powers?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI E AHAMMED): (a) and (b) The issue of the reform and restructuring of the UN Security Council has been under discussion at the United Nations for several years. In view of the complexities and the diverse perceptions on the specifics of such reforms among member States, a decision on this issue has not been reached as yet. The High Level Panel on 'Threats, Challenges and Change' established by the UN Secretary General, in its report, released in December 2004, recognized the need for expansion of the UN Security Council, but, stopped short of making a definitive recommendation on new permanent members. Instead, it proposed two models 'A' and 'B' and recommended that "under any reform proposal, there should be no expansion of the Veto". Model 'A' provides for expansion in both the permanent and non-permanent